

Statement of Considerations

REQUEST BY VOLVO TRUCKS NORTH AMERICA, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS IN SUBJECT INVENTIONS MADE IN THE COURSE OF OR UNDER UT-BATTELLE, LLC SUBCONTRACT NO. 4000010928, UNDER DOE PRIME CONTRACT DE-AC05-00OR22725; DOE WAIVER DOCKET W(A)-02-018; [ORO-770]

Volvo Trucks North America, Inc. (VTNA) has made a request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under UT-Battelle, LLC Subcontract No. 4000010928 under Department of Energy (DOE) Contract DE-AC05-00OR22725. The scope of work of this project is to develop an operational Accelerated Endurance Test (AEC) for Class 8 Volvo Hood System fabricated partly or wholly from carbon fiber Sheet Molding Compound (SMC). It is expected that this system will result in an approximately 40-60% weight reduction from the SMC components in a traditional SMC Class 8 Hood System. This work is sponsored by the Office of Heavy Vehicle Technologies.

The dollar amount of the subcontract effort has an estimated value of \$7,495,240 with VTNA cost sharing \$4,024,360 or about 54%. The period of performance is from August 2002 through February 2005.

It is expected that VTNA's experience and market position will contribute substantially to commercialization of the inventions made under the subcontract. VTNA has significant experience in the area of plastic materials. VTNA manufactures a wide variety of commercial vehicles having a significant amount of plastics both in the interior and exterior. Exterior components consist of such parts as hoods, bumpers, under-cab fairings and roof aerodynamic devices. Materials for these components include Sheet Molding Compound (SMC), Resin Transfer Molding (RTM), among others. On-site VTNA engineers design each of the applications of these materials, including finite element analysis, computer aided design (CAD) systems and significant physical validation competencies.

In addition, VTNA has expended approximately \$700,000 of its own financial resources on hood projects directly related to the work to be performed under the proposed subcontract. These activities include significant efforts in the area of finite element analysis, CAD design, styling initiatives, manufacturing engineering, purchasing, and project management.

VTNA has agreed to the standard DOE waiver terms and conditions, including march-in rights, background patent provisions, retention by the government of a license, preference for U.S. industry and U.S. Competitiveness clauses. Deletion of the background data provisions from the standard clause has been discussed with and approved by the cognizant DOE Program Manager. It was determined that DOE's programmatic objectives could be achieved without the enhanced protection of rights to such data for commercialization purposes should VTNA fail to commercialize the results of this subcontract.

VTNA agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless VTNA can show to the satisfaction of DOE that it is not commercially feasible to do so. In

the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. VTNA further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should VTNA or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Granting of the waiver should have little effect on competition and market concentration. The technology has not been commercially demonstrated and must compete with already existing technologies.

Granting of the requested waiver should serve as encouragement to other DOE contractors and subcontractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by VTNA and the objectives and considerations set forth in 10 CFR 784.4, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Emily G. Schneider
Assistant Chief Counsel for
Intellectual Property

Date: 11/14/02

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared contract where, through such a modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:



Sidney Diamond
Program Manager
Office of Heavy Vehicle Technologies

Date: 3/6/03

APPROVAL:



Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and
Intellectual Property

Date: 3-6-03

(3) Pending written assignment of the patent application and patents on a subject invention determined by the Contracting Officer to be forfeited (such determination to be a Final Decision under the Disputes clause of this contract), the contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

(t) U. S. Competitiveness

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

(End of clause)